

SECTIONAL ANALYSIS

OF A BILL

TO PROVIDE CERTAIN AUTHORITIES FOR THE CENTRAL INTELLIGENCE AGENCY
AND FOR OTHER PURPOSES

SECTION 1 increases the compensation of the Director of Central Intelligence to \$17,500 per year. The Director's salary was originally established at \$14,000 per year by Section 102(a) of the National Security Act of 1947. It was raised to \$16,000 per year by the Executive Pay Bill of 1949. The increase is proposed in order to place the salary of the Director in line with other Government salaries for positions of comparable responsibility.

It should be noted that the "take-home" pay on the proposed salary of \$17,500 (based on one dependent and including deduction for retirement), computed under 1951 tax rates, amounts to \$12,668, while that of a General is \$14,566.94. Take-home pay on a salary of \$16,000 is currently \$11,468.

SECTION 2 amends Section 102(b)(2) of the National Security Act of 1947 so as to authorize payment to a military man serving as Director of Central Intelligence at the rate of the salary provided by law for the position of Director. This will eliminate the bookkeeping problems under the present law which involves the payment of the difference between the military salary of the incumbent and the civilian statutory salary of the position when its incumbent is an officer of the Armed Services. It will raise to the rank of full general, or its equivalent, any member of the Armed Services occupying this position, and would permit retirement at this grade after four years service as Director.

SECTION 3 amends the Executive Pay Bill of 1949, which established the salary of the Deputy Director of Central Intelligence at \$14,000 a year (now \$14,800). Under this proposed legislation the salary is set at \$16,000 per year. In addition, this section authorizes the Director of Central Intelligence to appoint three Deputy Directors of the Central Intelligence Agency who will receive compensation at the rate of \$15,000 a year. Provision is made to authorize military personnel to hold these positions without loss of their military status.

SECTION 4 provides that such commissioned personnel of the Armed Services as may be appointed, ordered, or detailed to duty with CIA, may be employed by their respective service in addition to those otherwise authorized and appropriated for. This section exempts such officer personnel from the numerical limitation of the so-called "Davis Amendment" to the Defense Appropriation Act of 1952, so long as they are serving with CIA.

SECTION 5 raises from 15 to 75 the present numerical limitation on the number of officers retired for reasons other than physical disability who may be employed by CIA. At the time the limitation of 15 was adopted, the Congress was considering over-all legislation which would authorize all Agencies of the Government to employ military personnel who had been retired for reasons other than physical disability. As no action has been taken on this legislation, and as CIA has a demonstrable need for the employment of a limited number of officers retired for reasons of longevity, it is requested that the limitation be raised to 75 such officers.

SECTION 6 provides for the exemption of the Central Intelligence Agency from the provisions of the Performance Rating Act of 1950 (64 Stat. 1098). This Act provides that each agency establish a plan for performance (efficiency) ratings for evaluating the work performance of its employees. Each agency's performance rating plan must be approved by the Civil Service Commission.

Under the provisions of the Act, each agency is to set up a three-member board of review to hear appeals from employees dissatisfied with or contesting their efficiency ratings. One member of the board is to be designated by the employees of the agency; one member is to be designated by the head of the agency; and one member, who is to serve as chairman, is to be designated by the Civil Service Commission. As the Commission insists that the latter be a man from outside of the agency, and presumably a member of the Commission staff, it is unacceptable to CIA on a security basis. In addition, an employee who takes an appeal to this board may appear through a designated representative such as outside counsel or other non-CIA personnel. An employee presentation of evidence in his own behalf before the appeals board would probably include work samples, which is unacceptable from a security standpoint. In addition, the Civil Service Commission has the right to inspect the administration of the performance rating plan, and such inspection could include not only an examination of records but also employee interviews by Commission representatives regarding employee understanding of the rating plan and its standards.

This Agency and the Civil Service Commission attempted to resolve these difficulties, but under the statute the commission could not waive the requirements which raised the obstacles. Therefore, the Civil Service Commission has indicated that it will support CIA exemption from the Performance Rating Act.

SECTION 7 repeals Section 9 of the Central Intelligence Agency Act of 1949, which provided for three positions in the professional or scientific field with a salary ceiling of \$15,000. In view of the increases in Government pay scales, since this Section was enacted, it is no longer necessary and limits the Agency's ability to hire outstanding scientists. Therefore, it should be repealed.

SECTION 8 corrects a printing error in Section 10(a) in the Central Intelligence Agency Act of 1949 which omits reference to the chapter.

SECTION 9 provides for the separability of the provisions of this act.